



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/09/04, by Naomi D. Jakobsson

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-113.3

from Ch. 108 1/2, par. 15-113.3

Amends the State Universities Article of the Illinois Pension Code. Provides that the 5 years of credit for military service that a person may establish does not need to follow a period of employment with an employer under the State Universities Article or the State Employees Article (now all but 2 years must immediately follow a period of employment with an employer under the State Universities Article or the State Employees Article). Provides that a person who establishes credit for military service that does not immediately follow employment with an employer under the State Universities Article or the State Employees Article is not required to pay interest on required contributions. Effective immediately.

LRB093 16089 LRD 41715 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 15-113.3 as follows:

6 (40 ILCS 5/15-113.3) (from Ch. 108 1/2, par. 15-113.3)

7 Sec. 15-113.3. Service for periods of military service.

8 "Service for periods of military service": Those periods, not
9 exceeding 5 years, during which a person served in the armed
10 forces of the United States, ~~of which all but 2 years must have~~
11 ~~immediately followed a period of employment with an employer~~
12 ~~under this System or the State Employees' Retirement System of~~
13 ~~Illinois;~~ provided that the person received a discharge other
14 than dishonorable and ~~again~~ became an employee under this
15 System within one year after discharge. However, for ~~the up to~~
16 ~~2 years~~ of military service not immediately following
17 employment, the applicant must make contributions to the System
18 equal to (1) 8% of the employee's basic compensation on the
19 last date as a participating employee prior to such military
20 service, or on the first date as a participating employee after
21 such military service, whichever is greater, plus (2) an amount
22 determined by the board to be equal to the employer's normal
23 cost of the benefits accrued for such military service, ~~plus~~
24 ~~(3) interest on items (1) and (2) at the effective rate from~~
25 ~~the later of the date of first membership in the System or the~~
26 ~~date of conclusion of military service to the date of payment.~~
27 The change in the required contribution for purchased military
28 credit made by this amendatory Act of the 93rd General Assembly
29 ~~1993~~ does not entitle any person to a refund of contributions
30 already paid. The contributions paid under this Section are not
31 normal contributions as defined in Section 15-114 or additional
32 contributions as defined in Section 15-115.

1 The changes to this Section made by this amendatory Act of
2 1991 shall apply not only to persons who on or after its
3 effective date are in service under the System, but also to
4 persons whose employment terminated prior to that date, whether
5 or not the person is an annuitant on that date. In the case of
6 an annuitant who applies for credit allowable under this
7 Section for a period of military service that did not
8 immediately follow employment, and who has made the required
9 contributions for such credit, the annuity shall be
10 recalculated to include the additional service credit, with the
11 increase taking effect on the date the System received written
12 notification of the annuitant's intent to purchase the credit,
13 if payment of all the required contributions is made within 60
14 days of such notice, or else on the first annuity payment date
15 following the date of payment of the required contributions. In
16 calculating the automatic annual increase for an annuity that
17 has been recalculated under this Section, the increase
18 attributable to the additional service allowable under this
19 amendatory Act of 1991 shall be included in the calculation of
20 automatic annual increases accruing after the effective date of
21 the recalculation.

22 (Source: P.A. 93-347, eff. 7-24-03.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.